

Canadian Grain Commission

2012-13

Report on Plans and Priorities

The Honourable Gerry Ritz
Minister of Agriculture and Agri-Food and Minister of the
Canadian Wheat Board

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Minister's Message

I am pleased to submit to Parliament and Canadians the Canadian Grain Commission (CGC)'s *Report on Plans and Priorities 2012-13*. This report details how the CGC intends to use its resources to carry out its responsibilities to protect grain producers' interests and to ensure a dependable commodity for Canada's international and domestic markets.

Canada is known around the world for the quality, consistency, reliability, and safety of its grain and grain products. The activities of the CGC continue to be a key factor in permitting Canadian exporters to market successfully in competitive international grain markets. This year marks the CGC's 100th anniversary. In its 100th year, the CGC will play an important role in helping the grain sector remain competitive. Our Government will deliver on its commitment to modernize the western Canadian grain sector. An important part of this will include the CGC working with Agriculture and Agri-Food Canada (AAFC) and the entire Agriculture and Agri-Food (AAF) Portfolio to deliver on the important priority of modernizing the *Canada Grain Act*. I'm excited about the prospects that lie ahead and am committed to a strong quality assurance system for the Canadian grain industry from producers to customers.

As we take time to celebrate the CGC's history, this is an opportunity for me to thank the organization for its outstanding contribution to making the Canadian grain sector what it is today, and what it will be in the future. Looking ahead, I will continue to rely on the collaborative efforts of the CGC and my entire Portfolio to help me meet the sector's needs, efficiently and effectively. I invite you to read this report to learn more about the CGC's plans and priorities for the 2012-13 fiscal year.

The Honourable Gerry Ritz
Minister of Agriculture and Agri-Food and
Minister for the Canadian Wheat Board



Chief Commissioner's Message

Welcome to the Canadian Grain Commission (CGC)'s *Report on Plans and Priorities 2012-13*. Through its activities, the CGC supports a competitive, efficient grain sector and upholds Canada's international and domestic reputation for consistent and reliable grain quality and safety. In addition, the CGC protects the rights of Canadian grain producers when they deliver grain to licensed grain handling companies.



Since 1912, the CGC has been the federal agency responsible for setting standards of quality and regulating Canada's grain handling system. On April 1, 2012, the CGC will be celebrating its 100th anniversary. The CGC was initially established in response to producer-led organizations asking for a way to guarantee fair treatment in the grain handling system. Since then, we've helped producers and grain companies work together by offering a neutral third party perspective. Through our various programs, we have assisted the continued growth of the grain industry in Canada. We are proud of our role in the history of Canada's grain industry and have several activities planned to mark this important milestone.

The CGC is operating in a time of rapid change in the global and domestic grain industries. We anticipate that grain quality and grain safety requirements and technology will continue to become more sophisticated. We feel we are well positioned to continue to evolve to meet the emerging needs of producers and the grain industry. We are committed to modernizing our activities and our legislative framework to ensure the long-term success of Canada's grain quality assurance system and to add optimal value for Canadian grain producers and the grain sector.

As Chief Commissioner, I look forward to the CGC's ongoing exemplary work to effectively meet the needs of producers, the industry and Canadians in general. I invite you to read this report to learn more about the CGC's plans and priorities for fiscal year 2012-13.

Elwin Hermanson
Chief Commissioner
Canadian Grain Commission

Section I: Organizational Overview

Raison d'être

The CGC is a federal government agency and administers the provisions of the *Canada Grain Act*. The CGC's **mandate** as set out in the *Canada Grain Act* is to, "in the interests of the grain producers, establish and maintain standards of quality for Canadian grain and regulate grain handling in Canada, to ensure a dependable commodity for domestic and export markets." The CGC's **vision** is to be "A leader in delivering excellence and innovation in grain quality and quantity assurance, research, and producer protection." The CGC reports to Parliament through the Honourable Gerry Ritz, **Minister of Agriculture and Agri-Food**.

Responsibilities

Under the *Canada Grain Act*, the CGC regulates the handling of 21 grains¹ grown in Canada to ensure Canada's grain is safe, reliable and marketable, and Canadian grain producers are protected. The CGC is an unbiased, third party agency in Canada's grain sector and is the official certifier of Canadian grain. Through its activities, the CGC supports a competitive, efficient grain sector and upholds Canada's international reputation for consistent and reliable grain quality. To achieve its mandate, the CGC:

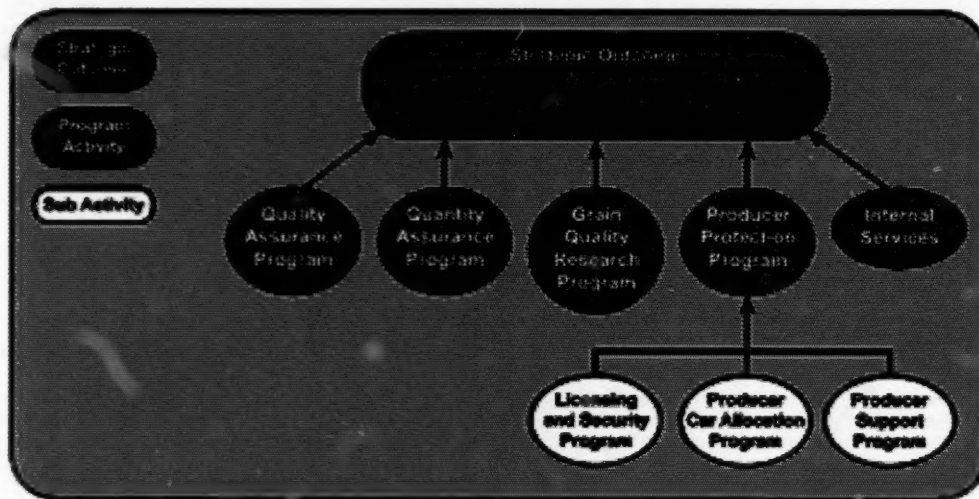
- regulates grain handling in Canada through the grain quality and quantity assurance programs,
- carries out scientific research to understand all aspects of grain quality and grain safety and to support the grain grading system, and
- has implemented a number of producer protection programs and safeguards to ensure the fair treatment of Canadian grain producers when they deliver their grain to licensed grain elevators and grain dealers. This includes the licensing and security program, the producer car allocation program, and producer support program.

The CGC's head office is located in Winnipeg, Manitoba. The CGC currently operates 12 additional offices across Canada and plans to employ approximately 741 full-time equivalents (FTEs) in the upcoming fiscal year. Funding for CGC programs and activities is through a combination of revolving fund and appropriation sources. Additional information on the CGC's mandate and responsibilities is available on the CGC website at <http://www.grainscanada.gc.ca/>.

¹ Grain refers to any seed designated by regulation as a grain for the purposes of the *Canada Grain Act*. This includes barley, beans, buckwheat, canola, chick peas, corn, fababeans, flaxseed, lentils, mixed grain, mustard seed, oats, peas, rapeseed, rye, safflower seed, solin, soybeans, sunflower seed, triticale and wheat.

Strategic Outcome and Program Activity Architecture (PAA)

The following diagram illustrates the CGC's Program Activity Architecture (PAA). The PAA is the basic structure for managing and allocating resources to various programs and activities to achieve intended results. The CGC's PAA has five program activities which each contribute to making progress to the CGC's single strategic outcome. The producer protection program consists of three program sub-activities.



Canada is known around the world for the quality, consistency, reliability and safety of its grain and grain products. It is widely recognized that the provision of CGC programs and activities is fundamental to maintaining this reputation and to the functioning of Canada's Grain Quality Assurance System (GQAS). CGC programs result in shipments of grain that consistently meet contract specifications for quality, safety, and quantity. This is essential for producers to realize maximum value from their grain. In our role as a neutral third party regulator and arbitrator, the CGC works in partnership with virtually every participant in the grain industry including producers, industry stakeholders, AAF Portfolio partners, and other government departments and agencies.

Organizational Priorities

The CGC has identified two priorities that will be the focus of attention during the reporting period. The first priority is aimed at strengthening the CGC's program activities while the second is aimed at sound integrated people and business management. Progress towards these priorities will mitigate program risk and ensure long term success in delivering upon our sole strategic outcome. To make progress towards these priorities, the CGC will continue to work in close collaboration with producers, industry stakeholders, AAF Portfolio partners, and other government departments and agencies.

Priority	Type ²	Strategic Outcome and/or Program Activities
Relevant positioning of CGC program activities to deliver upon the CGC's strategic outcome	Previously committed to	This priority contributes to all of the CGC program activities and the overall strategic outcome
Description		
Why is this a priority? This priority involves positioning the CGC to remain relevant and support the continued competitiveness of Canadian grains in both domestic and international markets. This includes development and integration of new technologies and protocols into daily program and service delivery, sound regulatory framework, ongoing responses to increased market demands for assurances of grain safety and market concerns about low level presence (LLP) of unapproved genetically engineered events, as well as continuously improving producer protection programs and service delivery models. Plans for meeting the priority • Continue efforts to evolve service delivery models and our workforce to remain relevant and meet future service requirements. • Legislation to amend the <i>Canada Grain Act</i> has been introduced twice since 2007, but failed to pass in minority governments. In September 2011, the Working Group on Marketing Freedom recommended that a modernized CGC would complement the proposed changes to the Canadian Wheat Board, and that these reforms would serve to transform the Canadian		

² Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the RPP or Departmental Performance Report (DPR).

grain sector to a more competitive market-oriented environment. This priority includes plans to modernize the *Canada Grain Act* and the CGC to reflect the evolving grain handling and transportation system. Possible amendments include changes to governance, mandate, producer payment security, licensing, inspection, weighing, and enforcement.

- Continue efforts to facilitate market access to ensure Canadian grain remains competitive domestically and internationally.
- Raise the domestic and international profile and understanding of the CGC's role. This includes celebrating our past 100 years and highlighting where we plan to go.

Priority	Type ³	Strategic Outcome and/or Program Activities
Integrated people and business management	Previously committed to	This priority contributes to all of the CGC program activities and the overall strategic outcome

Description

Why is this a priority?

This priority involves sound integrated and accountable planning and management processes to ensure the optimal allocation of human and financial resources to meet business needs. Since 1912, the CGC has charged fees to recover at least a portion of the costs of providing services to the Canadian grain sector and regulating grain handling in Canada. Most of the CGC's user fees have not been updated since 1991 despite the fact that the cost of providing our services has continued to rise. Since 1999, we have depended on annual ad hoc funding to continue serving producers and the industry. This means that the revenues from user fees now cover approximately 50 percent of the cost of service provision. The CGC faces ongoing challenges in securing enough funding to provide services and perform its regulatory functions. Lack of a stable funding environment has made planning for long term integrated people and business management a challenge.

³ Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the RPP or DPR.

Plans for meeting the priority

- In November 2010, the CGC began a project to update its cost recovery framework consistent with the requirements of the *User Fees Act*. The CGC held extensive consultations with grain sector stakeholders in early 2011. A User Fees Proposal which sets out an updated fee structure based on the costs of the services and a proposed private sector cost share is planned during 2012-13. Recommendations and a formal proposal will be submitted to Parliament. Updating our user fees will eliminate our dependence on annual ad hoc funding and create a more stable environment for integrated people and business management.

Risk Analysis

The Canadian grain industry, the CGC, and the GQAS operate in a climate of constant change. The CGC and the GQAS must be able to adjust in a measured and careful fashion to these changes in order to maintain Canada's reputation as a consistent supplier of quality grain. The CGC is continually adapting programs and services to assure consistent and reliable grain quality and grain safety that meets the needs of international and domestic markets and to ensure Canadian grain producers are protected.

Risk management is an essential part of strategic planning and decision making at the CGC. While the majority of risk involved in the CGC's work is inherent and constant, some risk varies according to changes in the internal and external environment. The inherent risks to CGC programs and services, such as risks associated with assuring accurate quality and quantity assessment and accurate certification of Canadian grain, are addressed by continuous monitoring and adjustment in order to manage risk effectively, thereby maintaining high levels of performance. Feedback from producers and grain handlers, domestic and international grain buyers and processors, and other government organizations has proven to be a reliable early indicator of risk arising from developments in our external environment.

Strategic planning at the CGC includes preparation of an extensive environmental scan to identify emerging threats and/or opportunities for improvement, an internal and external workforce analysis, and a Corporate Risk Profile Summary to identify areas of greatest risk exposure to the CGC in delivering its strategic outcome and program activities. The following key challenges, or risks, have been identified as having potential implications for our performance during 2012-13 and beyond:

- Ensuring that the organization adapts and remains relevant to our stakeholders. For example, this includes ensuring that technology and infrastructure remain current, making changes to meet domestic and international industry needs, developing internal and external alternative service delivery models in consultation with stakeholders, and modernizing our legislative framework to meet the rapidly evolving needs of Canadian producers and the grain industry.
- Establishing appropriate fees and sustainable funding. Stable funding is required to sustain our operations, as well as for evolution of operations going forward. Lack of stable funding impacts all long-term human resource, business, and investment planning.
- Ensuring there is sufficient capacity within the CGC to manage change. This includes enhancing our People Management Framework, as well as developing change management strategies and plans within each priority.

Several mitigation strategies are currently in place for each of these challenges and additional mitigation strategies have been identified going forward. The CGC's 2012-13 priorities and plans are designed to mitigate the risks associated with these challenges. Challenges and risks will be monitored during 2012-13 and further mitigation strategies will be put in place as required.

Planning Summary

The following provides a summary of the CGC's planned spending and human resources for the next three fiscal years. Planned spending for 2012-13, 2013-14 and 2014-15 includes the annual appropriation of \$5.45 million and projected spending of approximately \$37.63 million of revenue earned through fees. Planned spending for 2012-13 also includes access to the accumulated surplus of \$15.45 million. **The planned spending and planned FTEs shown throughout this document are reflective of approved authorities to date only and not reflective of total resource needs required to fulfill the CGC's mandate.** To put this in perspective, actual 2010-11 spending as reported in the CGC's 2010-11 DPR was \$78.571 million. Actual 2010-11 FTEs as reported in the CGC's 2010-11 DPR were 671. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery going forward. CGC management remains committed to monitoring and controlling discretionary spending. Further information on CGC funding is provided in the Expenditure Profile Section.

Financial Resources⁴ (\$ thousands)

2012-13	2013-14	2014-15
58,531	43,078	43,078

Human Resources⁵ (Full-Time Equivalent—FTE)

2012-13	2013-14	2014-15
534	389	389

⁴ Planned spending is reflective of approved authorities to date only and not reflective of total resource needs required to fulfill the CGC's mandate. To put this in perspective, actual 2010-11 spending as reported in the CGC's 2010-11 DPR was \$78.571 million. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery. Planned spending differs from the Annual Reference Level Update with respect to non-appropriation funding as these include spending of approximately \$37.63 million of revenue earned through fees. The Annual Reference Level Update reflects the authority limit of respendable revenue of \$42.88 million.

⁵ Planned FTEs are reflective of approved authorities to date only and not reflective of total resource needs required to fulfill the CGC's mandate. Actual 2010-11 FTEs as reported in the CGC's 2010-11 DPR were 671. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Strategic Outcome: Canada's grain is safe, reliable and marketable and Canadian grain producers are protected

Performance Indicators	Targets
Number of instances where buyers are dissatisfied with CGC standards, methods or procedures used to ensure a dependable commodity for domestic and export markets	Zero instances
Level of producer satisfaction with CGC producer protection services	Zero unresolved or unaddressed complaints

Planning Summary Table (\$ thousands)

Program Activity	Forecast Spending 2011-12 ⁶	Planned Spending ⁷			Alignment to Government of Canada Outcomes ⁸
		2012-13	2013-14	2014-15	
Quality Assurance Program	41,250	32,726	21,565	21,565	Innovative and knowledge-based economy
Quantity Assurance Program	13,249	11,213	8,642	8,642	Innovative and knowledge-based economy
Grain Quality Research Program	10,630	3,521	3,521	3,521	Innovative and knowledge-based economy
Producer Protection Program	3,891	2,625	905	905	Fair and secure marketplace
Subtotal Planned Spending⁹	69,020	50,086	34,633	34,633	

⁶ 2011-12 actual results may differ from the 2011-12 forecast spending. The forecast is based on a reprofiled budget as at December 31, 2011.

⁷ Planned spending is reflective of approved authorities to date only and not reflective of total resource needs required to fulfill the CGC's mandate. Planned spending for 2012-13, 2013-14 and 2014-15 includes only the annual appropriation and projected spending of revenue earned through fees. Planned spending for 2012-13 also includes access to the accumulated surplus. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

⁸ Information on the Government of Canada Outcomes is available at: <http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>. Information on the CGC's alignment to the Government of Canada Outcomes is available at: <http://www.grainscanada.gc.ca/cgc-ccg/cr-rm/goco-rogoc-eng.htm>.

⁹ Subtotal planned spending does not include amounts for the internal services program activity. 2012-13, 2013-14, and 2014-15 amounts are not reflective of total resource needs required to fulfill the CGC's mandate. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery going forward.

Planning Summary Table (\$ thousands)

Program Activity	Forecast Spending ¹⁰ 2011-12	Planned Spending ¹¹		
		2012-13	2013-14	2014-15
Internal Services	13,882	8,445	8,445	8,445
Total Planned Spending¹²	82,902	58,531	43,078	43,078

¹⁰ 2011-12 actual results may differ from the 2011-12 forecast spending. The forecast is based on a reprofiled budget as at December 31, 2011.

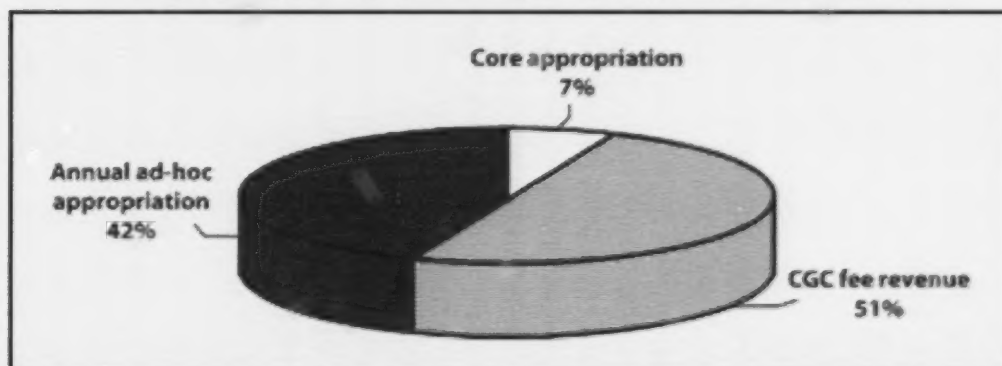
¹¹ Planned spending is reflective of approved authorities to date only and not reflective of total resource needs required to fulfill the CGC's mandate. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

¹² Total planned spending includes amounts for all CGC program activities. Planned spending for 2012-13, 2013-14 and 2014-15 includes the annual appropriation of \$5.45 million and projected spending of approximately \$37.63 million of revenue earned through fees. Planned spending for 2012-13 also includes access to the accumulated surplus of \$15.45 million. 2012-13, 2013-14, and 2014-15 amounts are not reflective of total resource needs required to fulfill the CGC's mandate. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Expenditure Profile

Additional ad hoc appropriation has been required to meet CGC operational requirements on a yearly basis since 1999. The following chart illustrates average CGC spending by funding source over the past four years (2008-09 through 2011-12). During this time: approximately 42 percent of CGC expenditures have been funded by annual ad hoc appropriation (this includes the use of the CGC's accumulated surplus between 2008-09 and 2011-12); approximately 7 percent of CGC expenditures have been funded through core appropriations which have historically been used to cover a portion of the costs related to the grain quality research program and functions associated with Assistant Commissioner positions (see explanation below); and approximately 51 percent of expenditures have been funded through CGC fee revenues collected primarily from inspection and weighing services.

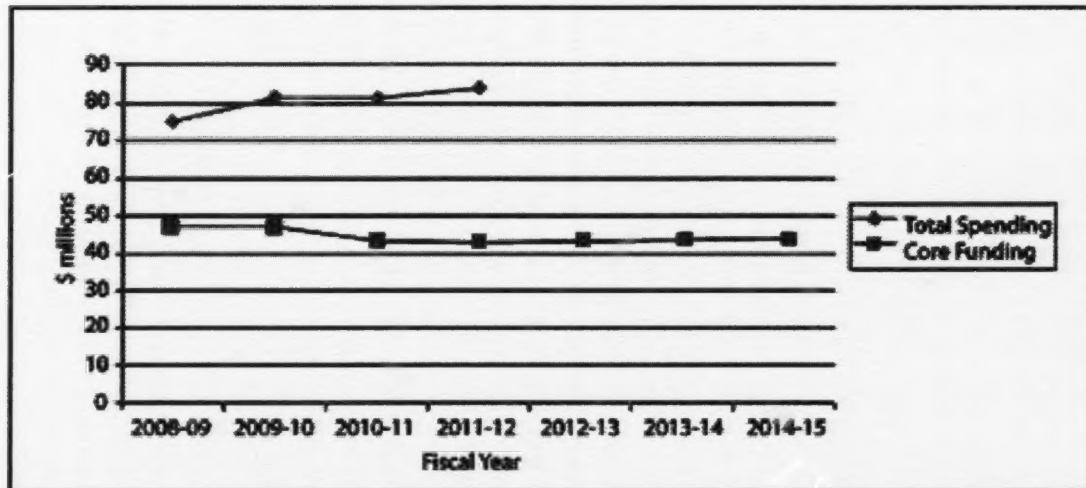
Average Spending by Funding Source (2008-09 to 2011-12)



Most of the CGC's user fees have not been updated since 1991 despite the fact that the cost of providing our services has continued to rise. The CGC is in the process of developing a user fee structure and funding mechanism that will eliminate annual ad hoc funding and result in fair and consistent user fees, service standards and performance measures for CGC services. The additional revenues will provide the CGC with sufficient resources and a stable funding platform to provide its mandated services and deliver upon its ultimate priority of ensuring Canada's grain is safe, reliable and marketable and Canadian grain producers are protected. It is planned that in 2012 the Minister of AAF will table user fees proposals into both houses of parliament as per the *User Fees Act*. Amended fees are planned to take effect in the 2013-14 fiscal year. Further information on the CGC's User Fees Consultation process and feedback received to date is available at: <http://www.grainscanada.gc.ca/consultations/consultation-eng.htm>.

The graph below shows the CGC's funding level trend from 2008-09 to 2014-15. The two trends shown on the graph are core funding and total spending.

Total Spending against Core Funding Level from 2008-09 to 2014-15



Total spending from 2008-09 to 2011-12 is reflective of all funding sources available to the CGC including appropriations realized through the full Estimates process and fees generated through the provision of services. For 2012-13, 2013-14 and 2014-15, the graph shows the CGC's approved authorities to date only (core funding). The graph does not include 2012-13, 2013-14 and 2014-15 total resource requirements due to the expiration of ad hoc funding. The CGC is currently assessing options to ensure appropriate funding is available to meet operational and staffing requirements.

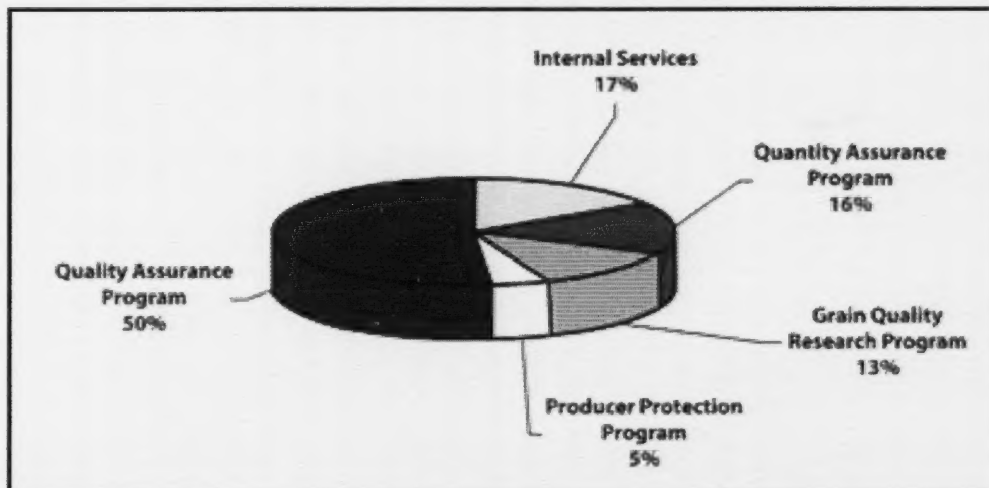
For 2012-13 and future years, core funding of \$43.08 million partially consists of \$5.45 million in annual appropriation which is used to fund a portion of the costs related to the grain quality research program and the functions that were associated with the Assistant Commissioner positions. Assistant Commissioner functions have been assumed by the CGC Commissioners, the Licensing Unit, and Communications. The remainder of the organization's quality assurance, quantity assurance, and producer protection programs are intended to be cost recovered via fee revenues collected primarily from inspection and weighing services. These revenues are dependent on annual grain volumes which can fluctuate up to 20 percent from year-to-year, resulting in variable revenue from fees. The CGC forecasts spending of revenue earned through fees of \$37.63 million generated from inspecting and weighing expected grain volumes of 50.6 million tonnes of grain. Planned spending for 2012-13, as detailed throughout this report, also includes access to our accumulated surplus of \$15.45 million (this is not shown on the graph).

In order to meet the evolving grain industry needs and increasing operating costs, the CGC will continue the ongoing process of cost containment and reallocation of internal resources to meet new and emerging priorities. The CGC will continue efforts to manage spending through the following actions and mitigation strategies:

- staffing needs to deal with fluctuating grain volumes and the delivery of mandatory services will be addressed with the use of overtime or the hiring of term and casual employees, where appropriate;
- discretionary capital spending will be made on a “mission critical” basis only;
- discretionary expenditures will continue to be monitored and controlled; and
- the CGC will continue to search for efficiencies through the sharing of internal services with AAFC and other government departments.

The figure below shows the allocation of 2012-13 planned spending by program activity. The largest portion of the CGC’s planned spending is allocated to the quality assurance program. While the CGC has a specific program activity dedicated to producer protection activities, it is important to note that all CGC program activities contribute to the CGC’s overall mandate of producer protection. For example, the quality assurance and quantity assurance programs are essential for producers to realize maximum value from their grain. With consistent mandated expectations, the percentage allocated to each program activity does not change significantly from year-to-year.

2012-13 Planned Spending by Program Activity



Estimates by Vote

For information on our organizational appropriations, please see the 2012-13 Main Estimates publication.

Section II: Analysis of Program Activities by Strategic Outcome

Strategic Outcome

Canada's grain is safe, reliable and marketable and Canadian grain producers are protected

The CGC has one strategic outcome that reflects the daily delivery of program activities and the long-term benefit to Canadians stemming from the CGC's mandate and vision. As a regulatory agency, the CGC is mandated to, in the interests of grain producers, establish and maintain standards of quality for Canadian grain and regulate grain handling in Canada, to ensure a dependable commodity for domestic and export markets. The CGC has five program activities to reflect how its resources are allocated and managed to achieve intended results.

The CGC is committed to modernizing legislation and reducing costs to the grain sector, including producers. Modernization of the *Canada Grain Act* and the *Canada Grain Regulations* will ensure that the CGC's legislation, programs and services continue to meet the evolving needs of Canadian producers and the grain industry and that the CGC can effectively and successfully deliver upon its strategic outcome and program activities. The CGC has initiated a process to look at key areas of potential change to the *Canada Grain Act*. In exploring possible changes, previous stakeholder feedback on the *Canada Grain Act* and previous Bills that proposed changes to the *Canada Grain Act* are being taken into consideration. A stakeholder engagement process, to seek input on possible amendments, was completed in March 2012.

Please note that the information provided in the following section is based on plans under the existing *Canada Grain Act* and is not reflective of possible amendments.

The following section describe the targets, performance indicators, and expected results as well as the activities and plans, under the current *Canada Grain Act*, that will contribute to meeting the expected results for each program activity. Information is also provided on the financial and human resources that will be dedicated to each program activity under the existing *Canada Grain Act*. **Please note that the program activity planned spending and planned full time equivalents are reflective of approved authorities to date only and not reflective of total resource needs for each program activity.**

Program Activity: Quality Assurance Program

Program Activity Description

Canada's GQAS assures consistent and reliable grain quality that meets the needs of international and domestic markets. Daily provision of grain inspection and grading services as mandated by the *Canada Grain Act* as well as strong scientific and technical support programs and services are integral components to the overall delivery of an effective GQAS. Canada's GQAS is continually adapted to the end-use needs of domestic and international buyers of Canadian grain, and to the ongoing structural changes within the grain industry to maintain Canada's reputation as a consistent supplier of quality grain. An effective GQAS is a key factor in permitting Canadian exporters to market successfully in competitive international grain markets and is essential for producers in order to realize maximum value from their grain. The quality assurance program is funded by a combination of revolving fund revenue and appropriations. Additional information on the quality assurance program is available at: <http://www.grainscanada.gc.ca/quality-qualite/iaqm-mrsq-eng.htm>.

Financial Resources (\$ thousands)

2012-13	2013-14	2014-15
32,726	21,565	21,565

Note: Planned spending is reflective of approved authorities to date only and not reflective of total resource needs for this program activity. For example, actual 2010-11 spending for the quality assurance program as reported in the CGC's 2010-11 DPR was \$39,095 thousand. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Human Resources (Full-Time Equivalent—FTE)

2012-13	2013-14	2014-15
299	194	194

Note: Planned FTEs are reflective of approved authorities to date only and not reflective of total resource needs for this program activity. For example, actual 2010-11 FTEs for the quality assurance program as reported in the CGC's 2010-11 DPR were 359. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Program Activity Expected Results	Performance Indicators	Targets
Consistent and reliable grain quality and grain safety assurance to meet the needs of domestic and international markets	Number of justified cargo complaints due to a breakdown in CGC quality and/or safety assurance	Zero justifiable cargo complaints

Planning Highlights

The quality assurance program directly supports the ongoing delivery of the CGC's mandate and is necessary for the CGC to deliver upon its strategic outcome of assuring Canada's grain is safe, marketable, and reliable. To meet the target and achieve the expected result associated with this program activity, the CGC plans to continue the following activities and services:

- Maintain and deliver an effective Quality Management System as per the ISO 9001:2008 standard. Adherence to ISO Quality Management System procedures includes regular review of quality assurance processes allowing the CGC to adjust service procedures and identify or adjust training as necessary.
- Inspect and grade grain using regularly updated and approved standards as mandated by the *Canada Grain Act*.
- Provide certificates and documentation related to the inspection and testing of grain exports to assure sellers and buyers of the quality and safety of a shipment of Canadian grain.
- Provide an unbiased process for appeal of official inspections to producer car users, and licensed primary, terminal, and transfer elevator operators who disagree with the grades assigned by CGC inspectors.
- Manage a complaint resolution process for cargo disputes related to grain quality and conduct unload investigations upon shipper and producer request to ensure customer satisfaction.

To ensure consistent and reliable grain quality and grain safety assurance, the quality assurance program activity must continue to align with and be able to respond to the changing requirements of domestic and international grain markets. While the consistent daily delivery of the above activities and services will continue to be the main focus of this program activity, the priorities and plans identified in Section I of this report are directly focused on enhancing and improving program and service delivery to maintain and improve the quality, safety, and marketability of Canadian grains.

Program Activity: Quantity Assurance Program

Program Activity Descriptions

The Canadian grain quantity assurance system assures the weight of grain loaded into or discharged from conveyances and in storage in the licensed terminal and transfer elevator system to meet the requirements of the grain industry from producers to customers. Daily provision of grain weighing services as mandated by the *Canada Grain Act* forms a major part of the quantity assurance system. To maintain relevance and to address constantly changing industry demands, ongoing technical support is provided in support of the grain quantity assurance system. The quantity assurance program is funded by a combination of revolving fund revenue and appropriations. Additional information on the quantity assurance program is available at: <http://www.grainscanada.gc.ca/quantity-quantite/iaqnm-mrsqn-eng.htm>.

Financial Resources (\$ thousands)

2012-13	2013-14	2014-15
11,213	8,642	8,642

Note: Planned spending is reflective of approved authorities to date only and not reflective of total resource needs for this program activity. For example, actual 2010-11 spending for the quantity assurance program as reported in the CGC's 2010-11 DPR was \$12,557 thousand. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Human Resources (Full-Time Equivalent—FTE)

2012-13	2013-14	2014-15
102	78	78

Note: Planned FTEs are reflective of approved authorities to date only and not reflective of total resource needs for this program activity. For example, actual 2010-11 FTEs for the quality assurance program as reported in the CGC's 2010-11 DPR were 119. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Program Activity Expected Results	Performance Indicators	Targets
Consistent and reliable quantity assurance of Canadian grain shipments	Number of justified cargo complaints due to a breakdown in CGC assessment of quantity	Zero justifiable cargo complaints

Planning Highlights

The overall expected result of this program activity is consistent and reliable quantity assurance for Canadian grain shipments. To this end, the CGC will continue to collect, interpret and distribute official weighing data and information and generate reliable grain quantity data to meet specific industry and buyer needs. During 2012-13, the CGC plans to continue the following quantity assurance services and programs:

- Deliver weighing services, weighing system inspection programs, and grain inventory accounting services (Grain Inventory Accounting System or GIAS and Montreal Registration System or MRS) to maintain an effective Quality Management System as per the ISO 9001:2008 standard. This includes regular review of quantity assurance processes allowing the CGC to adjust service procedures and identify or adjust training as necessary.
- Monitor to ensure that the quantity and/or identity of grains shipped under Identity Preserved systems is maintained.
- Ensure official weigh-overs of all stocks in store at licensed terminal and transfer elevators are conducted at prescribed intervals.
- Prepare official unload reports at licensed terminal and transfer elevators to authenticate received weights. These reports may be used by the Dispute Resolution Service (DRS).
- Manage the DRS to assist grain producers and the grain industry in recovering for grain lost during transport by railcar or during the discharge process.
- Manage the GIAS and the MRS for the industry to provide accurate information of licensed terminal and transfer elevator grain inventory data.
- Manage the complaint resolution processes for quantity of export grain cargoes to maintain ongoing customer satisfaction.

The CGC's quantity assurance program must align with and be able to respond to the changing requirements of the grain industry while still effectively ensuring consistent and reliable quantity assurance of Canadian grain shipments. During 2012-13, the CGC will continue to provide technical advice and continue to establish and maintain grain quantity assurance standards to evolve with industry grain weighing procedures, equipment standards, and quantity assurance needs. Adaptations to and modernization of weighing programs, procedures, and equipment will contribute to a cost-effective and dependable GQAS and a sound regulatory framework.

Program Activity: Grain Quality Research Program

Program Activity Descriptions

The *Canada Grain Act* requires the CGC to undertake, sponsor and promote research related to grains. The CGC conducts research in support of the GQAS to address emerging issues and permit the effective marketing of Canadian grain in the interests of producers and the Canadian grain industry. The CGC's Grain Research Laboratory (GRL) researches methods to measure grain quality, new quality factors, and new grain standards. Grain quality research supports the continual improvement of the GQAS. The grain quality research program is funded by appropriations. Additional information on the grain quality research program is available at: <http://www.grainscanada.gc.ca/research-recherche/iarm-mrsr-eng.htm>.

Financial Resources (\$ thousands)

2012-13	2013-14	2014-15
3,521	3,521	3,521

Note: Planned spending is reflective of approved authorities to date only and not reflective of total resource needs for this program activity. For example, actual 2010-11 spending for the grain quality research program as reported in the CGC's 2010-11 DPR was \$10,075 thousand. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Human Resources (Full-Time Equivalent—FTE)

2012-13	2013-14	2014-15
32	32	32

Note: Planned FTEs are reflective of approved authorities to date only and not reflective of total resource needs for this program activity. For example, actual 2010-11 FTEs for the grain quality research program as reported in the CGC's 2010-11 DPR were 71. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Program Activity Expected Results	Performance Indicators	Targets
Scientific information is available to support and inform GQAS decision making	Number of instances where timely and appropriate scientific information is not available to support and inform GQAS decision making	Zero instances
Domestic and international marketers, buyers, and processors have accurate and appropriate scientific information on the quality and safety of Canadian grain	Number of instances where domestic and international marketers, buyers, and processors do not have access to accurate and appropriate scientific information on the quality and safety of Canadian grain	Zero instances
Threats to Canada's GQAS from registration of new varieties are minimized	Number of complaints from end-users of Canadian grain on the quality of newly registered varieties	Zero complaints

Planning Highlights

This program activity contributes directly to the CGC's strategic outcome of ensuring Canada's grain is safe, reliable and marketable. Research undertaken and sponsored under this program activity leads to the development of recognized methods for quality and safety evaluation of all grains and objective testing protocols and specifications to support the Canadian grading system. The research from this program activity also facilitates the end-use diversification of Canadian grains and ensures that Canadian grain meets the end-use needs and processing expectations of domestic and international buyers.

The changing needs of the GQAS present new opportunities for the CGC's research activities. There continues to be a shift in the type of crops grown and their end-uses, and increased demand for variety identification by objective non-visual methods. Grain is increasingly being sold based on specifications and the demand for objective non-visual testing of grain quality and/or safety factors continues to increase. Research focus and allocation of resources must be

managed to address these changing needs in an effort to increase efficiency, reduce costs, and enhance the testing capabilities of the CGC and Canada's GQAS. As such, the CGC will continue to identify research priorities to build upon and strengthen the GQAS based on feedback received by CGC personnel from overseas and/or domestic buyers, processors, producers, grain handlers, and the Western Standards Committee and Eastern Standards Committee.

<http://www.grainscanada.gc.ca/gsccommittee-comiteng/wgsc-cngo-eng.htm>

<http://www.grainscanada.gc.ca/gsccommittee-comiteng/egsc-cnge-eng.htm>

The CGC plans to continue the process of ISO/IEC 17025 accreditation for certain methods in its GRL environment; focus is on accrediting methods in Grain Safety. This includes the determination of mycotoxin, pesticide residue, trace element, and genetically modified organism (GMO) content in grain samples. ISO/IEC 17025 accreditation will give customers increased confidence in the GRL processes and testing methods that support Canada's GQAS.

Close cross-divisional collaboration between the GRL's Crops Section, the GRL's Technologies Section, along with the CGC's Industry Services Division is critical to successfully achieve results associated with the grain quality research program and to successful delivery of the CGC's strategic outcome. Efforts to improve collaboration and coordination of research efforts both internally and with external research partners and other government departments (e.g., AAFC, CFIA, Health Canada) will ensure that the GRL is able to adapt research priorities to emerging challenges and use resources effectively. To remain abreast of new developments, GRL personnel will continue to liaise with Canadian and international scientific, academic, analytical, and grain industry organizations. In addition, the CGC will continue people planning initiatives to ensure that the CGC is able to attract, develop and retain sufficiently qualified human resources in the GRL.

Program Activity: Producer Protection Program

Program Activity Descriptions

The CGC is mandated to serve producer interests by upholding the *Canada Grain Act* and as such has implemented a number of programs and safeguards to ensure the fair treatment of Canadian grain producers. These include the licensing and security program, allocation of producer cars for producers and producer groups that wish to ship their own grain, and producer liaison measures including a grain grade appeal system. In addition, the CGC collects and updates grain quality data and grain handling information to facilitate producer sales and marketing decisions. The producer protection program is funded by a combination of revolving fund revenue and appropriations. Additional information on the producer protection programs and the benefits to Canadian producers is available at: <http://www.grainscanada.gc.ca/protection-protection/iappm-mrspp-eng.htm>.

Financial Resources (\$ thousands)

2012-13	2013-14	2014-15
2,625	905	905

Note: Planned spending is reflective of approved authorities to date only and not reflective of total resource needs for this program activity. For example, actual 2010-11 spending for the producer protection program as reported in the CGC's 2010-11 DPR was \$3,688 thousand. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Human Resources (Full-Time Equivalent—FTE)

2012-13	2013-14	2014-15
24	8	8

Note: Planned FTEs are reflective of approved authorities to date only and not reflective of total resource needs for this program activity. For example, actual 2010-11 FTEs for the producer protection program as reported in the CGC's 2010-11 DPR were 31. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Program Activity Expected Results	Performance Indicators	Targets
Risk to producers of not receiving fair compensation for their grain is mitigated	Percentage of producers who agree that CGC producer protection activities help to reduce the risk of not being fairly compensated for grain delivered into the licensed grain handling system	Baseline will be determined in 2012-13
Producers are aware of CGC producer protection programs and services	Percentage of producers who are aware of CGC producer protection activities	Baseline will be determined in 2012-13

Planning Highlights

During the planning period, the CGC will continue to consult with and evaluate feedback from producers on the services provided under this program. Where possible, program amendments will be made to benefit producers and promote a lower cost, competitive and innovative grain handling sector. In addition, the CGC will continue communication efforts to ensure producers are aware of their rights under the *Canada Grain Act* and to increase awareness of CGC producer protection activities and services. The CGC will continue to deliver the following three program sub-activities:

Licensing Program

The CGC licenses and regulates primary, process, terminal, and transfer elevators as well as grain dealers in accordance with the *Canada Grain Act*. Licensed elevators and grain dealers are required to post security to cover their liabilities to producers in the event of a company default. The licensing requirements also ensure that producers who deliver to a primary elevator can access their right to be paid on the basis of grade and dockage that is determined by a CGC inspector, rather than by the grain handler. During 2012-13, the CGC will continue to monitor CGC licensees using a risk assessment framework and a risk-based audit plan to determine audit priorities. This includes continuous refinements to the risk assessment framework and ongoing scrutiny to mitigate the risks associated with operating the security program.

Producer Car Allocation Program

Pursuant to the *Canada Grain Act* and the *Canada Grain Regulations*, the CGC provides and makes available an alternate grain delivery mechanism for producers and producer groups that

wish to ship their own grain. The CGC has sole responsibility for the allocation of producer cars. The CGC will continue to work closely and cooperatively with grain companies and the railways in an effort to ensure that producer car orders are filled in a timely manner.

Producer Support Programs

The CGC has set up an information and compliance framework to safeguard fair and equitable grain transactions for producers. This framework is comprised of many programs and activities including mediating and/or arbitrating producer complaints concerning transactions with licensed grain companies, reinspection of samples on producer request, investigation of quality and dockage complaints, and collecting and updating grain quality data and grain handling information and making it available to producers and other interested parties to facilitate producer sales and marketing decisions.

Program Activity: Internal Services

Program Activity Descriptions

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided specifically to a program.

Financial Resources (\$ thousands)

2012–13	2013–14	2014–15
8,445	8,445	8,445

Note: Planned spending is reflective of approved authorities to date only and not reflective of total resource needs for this program activity. For example, actual 2010-11 spending for internal services as reported in the CGC's 2010-11 DPR was \$13,156 thousand. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Human Resources (Full-Time Equivalent—FTE)

2012–13	2013–14	2014–15
77	77	77

Note: Planned FTEs are reflective of approved authorities to date only and not reflective of total resource needs for this program activity. For example, actual 2010-11 FTEs for internal services as reported in the CGC's 2010-11 DPR were 91. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Planning Highlights

Internal services are enabling activities that allow the CGC to deliver the programs and services necessary to carry out its strategic outcome and program activities. Successful delivery of internal services is best indicated by the CGC's ability to meet the expected results of its strategic outcome and other program activities. Performance can also be measured by tracking activities and results against the goals of various government-wide initiatives.

The CGC has developed action plans for all areas of management based on the recommendations received in the Round VIII Management Accountability Framework (MAF) assessment. Going

forward, the CGC is committed to continuous improvement in line with the key elements of MAF Round VIII.

The CGC's Finance Division supports Canadians through the provision of financial management services to facilitate the delivery of the CGC's strategic outcome and to support Government of Canada initiatives to strengthen accountability and transparency. Plans include continued efforts towards full compliance with Treasury Board's *Policy on Internal Controls*.

The CGC's People Management Framework is essential to the delivery of all CGC program activities and initiatives and is integral to leveraging the strengths of our people. The framework, which includes people planning, the Performance Development and Achievement Program (PDAP), and the Informal Conflict Management System, helps us achieve results by linking people management to the CGC's vision, goals and objectives. During 2012-13, the CGC will continue efforts to refine its integrated people and business planning (IPBP) and PDAP processes that links people management to the CGC's vision, goals and objectives, strategic plan and budgetary resources.

Section III: Supplementary Information

Financial Highlights

Future oriented financial highlights are intended to serve as a general overview of the CGC's financial operations. These financial highlights are to be prepared on an accrual basis to strengthen accountability and improve transparency and financial management. At this point in time, CGC planned spending is reflective of approved authorities to date only and not reflective of total resource needs to fulfill the CGC's mandate. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery. It has been determined that preparation of future oriented financial statements at this point in time will not provide valuable information to strengthen accountability.

The complete set of future-oriented financial statements for 2012-13 will be posted on the CGC's website when funding for 2012-13 is secured: <http://www.grainscanada.gc.ca/cgc-ccg/cr-rm/crm-mrm-eng.htm>

List of Supplementary Information Tables

All electronic supplementary information tables found in the *2012-13 Report on Plans and Priorities* can be found on the [Treasury Board of Canada Secretariat website](#).

- ▶ Greening Government Operations;
- ▶ Sources of Respendable Revenue;
- ▶ Summary of Capital Spending by Program Activity;
- ▶ Upcoming Internal Audits and Evaluations over the next three fiscal years; and
- ▶ User Fees.

Section IV: Other Items of Interest

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